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FORM 10-Q

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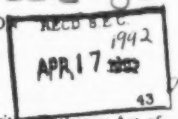
SECURITIES AND EXCHANGE COMMISSION

Washington, D. C. 20549



[X] Quarterly report pursuant to section 13 or 15(d) of the Securities Exchange Act of 1934

For the fiscal quarter ended February 29, 1992 or

[ ] Transition report pursuant to section 13 or 15(d) of the Securities Exchange Act of 1934

For the transition period from _____ to _____

Commission file number 0-6814

U.S. ENERGY CORP.

(Exact Name of Registrant as Specified in its Charter)

Wyoming	83-0205516
State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
877 North 8th West, Riverton, WY	82501
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: (307) 856-9271

Not Applicable

(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

YES ✓ NO____

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Class	Outstanding at April 13, 1992
Common stock, $.01 par value	4,179,595 Shares

14/14:P

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U.S. ENERGY CORP.

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U.S. ENERGY CORP. AND AFFILIATES

PART I. FINANCIAL INFORMATION

ITEM 1. Financial Statements.

Condensed Consolidated Balance Sheets

ASSETS

	February 29, 1992 (Unaudited)	May 31, 1991 (Audited)
CURRENT ASSETS:		
Cash	$ 3,105,500	$ 5,592,300
Accounts receivable		
Trade	385,300	394,300
Related parties	2,440,000	3,172,000
Inventory	65,000	21,000
Current portion of notes receivable	3,200	12,000
Deferred compensation	221,700	223,800
Other	47,900	109,100
TOTAL CURRENT ASSETS	6,268,600	9,524,500
INVESTMENTS IN AFFILIATES	3,071,000	5,429,600
PROPERTIES AND EQUIPMENT	17,749,700	9,799,500
Less accumulated depreciation, depletion and amortization	(5,738,200)	(5,238,600)
	12,011,500	4,560,900
OTHER ASSETS:		
Notes receivable:		
Trade	67,200	69,300
Related parties	421,500	420,300
Buildings and improvements held for sale	269,500	269,500
Long-term deferred compensation	12,800	152,900
Deposits and other	115,100	73,100
	886,100	985,100
	$22,237,200	$20,500,100

See notes to condensed consolidated financial statements.

U.S. ENERGY CORP. AND AFFILIATES

Condensed Consolidated Balance Sheets

LIABILITIES AND SHAREHOLDERS' EQUITY

	February 29, 1992 (Unaudited)	May 31, 1991 (Audited)
CURRENT LIABILITIES:		
Accounts payable - affiliates	$ 366,400	$ 139,500
Accounts payable and accrued expenses	96,000	148,100
Current portion of long-term debt	115,800	238,600
Income tax payable	–	289,800
TOTAL CURRENT LIABILITIES	578,200	816,000
LONG-TERM DEBT ($1,500,000 and $2,250,000 being amortized at a rate of $250,000 per quarter) (See Note 4)	1,969,600	2,518,200
DEFERRED INCOME TAXES	236,800	–
RECLAMATION LIABILITY (See Note 5)	725,900	725,900
COMMITMENTS AND CONTINGENCIES		
MINORITY INTEREST	1,688,400	246,000
SHAREHOLDERS' EQUITY:		
Preferred stock, $.01 par value; authorized, 100,000 shares; none issued or outstanding	–	–
Common stock, $.01 par value; authorized 10,000,000 shares; issued 4,270,549 and 4,225,549 shares	42,400	42,300
Additional paid-in capital	15,785,400	15,759,900
Retained earnings	2,534,900	1,712,600
Treasury stock, 51,267 shares at cost	(310,100)	(310,100)
Unallocated ESOP contribution	(1,014,300)	(1,010,700)
	17,038,300	16,194,000
	$22,237,200	$20,500,100

See notes to condensed consolidated financial statements.

U.S. ENERGY CORP. AND AFFILIATES

Condensed Consolidated Statements of Operations
(Unaudited)

	Three Months Ended February		Nine Months Ended February	
	29, 1992	28, 1991	29, 1992	28, 1991
REVENUES:				
Operating revenues	$ 767,100	$ 180,500	$ 1,604,000	$ 539,400
Molybdenum property transactions	263,800	266,600	792,500	802,700
Sale of uranium properties	–	–	–	7,193,600
Interest	47,100	122,800	177,700	529,700
Other	90,800	2,200	425,600	5,700
	1,168,800	572,100	2,999,800	9,071,100
COSTS AND EXPENSES:				
Costs of goods sold	508,400	24,200	683,400	89,900
General and administrative	690,000	723,800	1,406,300	1,628,200
Depreciation and amortization	103,300	46,600	290,300	154,600
	1,301,700	794,600	2,380,000	1,872,700
INCOME (LOSS) BEFORE MINORITY INTEREST, EQUITY INCOME (LOSS) OF AFFILIATES, PROVISION FOR (RECOVERY OF) INCOME TAXES AND EXTRAORDINARY ITEM	(132,900)	(222,500)	619,800	7,198,400
MINORITY INTEREST	70,400	–	70,400	–
EQUITY INCOME (LOSS) OF AFFILIATES-NET	69,500	(31,500)	368,900	371,700
INCOME (LOSS) BEFORE PROVISION FOR INCOME TAXES AND EXTRAORDINARY ITEM	7,000	(254,000)	1,059,100	7,570,100
PROVISION FOR (RECOVERY OF) INCOME TAXES	(28,000)	(66,400)	236,800	1,913,600
NET INCOME BEFORE EXTRAORDINARY ITEM	35,000	(187,600)	822,300	5,656,500
EXTRAORDINARY ITEM Utilization of net operating loss carryforward	(5,400)	–	–	–
NET INCOME (LOSS)	$ 29,600	$ (187,600)	$ 822,300	$ 5,656,500
NET INCOME (LOSS) PER SHARE	$ .01	$ (.05)	$ .20	$ 1.49
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING (See Note 6)	4,229,882	3,992,297	4,226,660	3,789,135

See notes to condensed consolidated financial statements.

U.S. ENERGY CORP. AND AFFILIATES

Condensed Consolidated Statements of Cash Flows
(Unaudited)

	Nine Months Ended February	
	29, 1992	28, 1991
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net Income	$ 822,300	$ 5,656,500
Adjustments to reconcile net income to net cash used in operating activities:		
Depreciation, depletion and amortization	290,300	154,600
Gain from restructuring molybdenum property agreements	(750,000)	(750,000)
Equity in (gain) of affiliates	(368,900)	(371,700)
Non-cash compensation expense	142,200	405,700
Minority income	70,400	–
Common stock exchanged for services	25,600	–
Deferred taxes	236,800	–
Gain on sale of uranium property interests	–	(7,193,600)
Write-down of investments	–	101,200
Non-cash expenses	–	110,000
Net changes in components of working capital	457,800	510,900
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	926,500	(1,376,400)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Increase in deposits and other	(42,000)	(94,800)
Increase in mining interest	(3,052,400)	–
Purchase of property and equipment	(517,600)	(288,100)
Proceeds from collection of notes receivable	900	35,400
Increase in long-term receivable	–	(79,200)
Investments in affiliates	–	(4,674,600)
Proceeds from sale of uranium property interests	–	7,560,000
Loan to ESOP	(3,600)	(293,300)
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	(3,614,700)	2,165,400
CASH FLOWS FROM FINANCING ACTIVITIES:		
Payment on long-term debt	(114,900)	(20,200)
Addition to long-term debt	316,300	–
	201,400	(20,200)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(2,486,800)	768,800
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	5,592,300	4,855,700
CASH AND CASH EQUIVALENTS AT END OF PERIOD	$ 3,105,500	$ 5,624,500
SUPPLEMENTAL DISCLOSURES:		
Income tax paid	$ 290,000	$ 30,000
Interest paid	$ 11,700	$ 7,800

See notes to condensed consolidated financial statements.

U.S. ENERGY CORP. AND AFFILIATES

Notes to Condensed Consolidated Financial Statements

1) The Condensed Consolidated Balance Sheet as of February 29, 1992, the Condensed Consolidated Statements of Operations for the three and nine months ended February 29, 1992 and February 28, 1991, and the Condensed Consolidated Statements of Cash Flows for the nine months ended February 29, 1992 and February 28, 1991, have been prepared by the Registrant without audit. The Condensed Consolidated Balance Sheet as of May 31, 1991, has been prepared from the audited financial statements included in the Registrant's Annual Report on Form 10-K for the period then ended. In the opinion of the Registrant, the accompanying financial statements contain all adjustments (consisting of only normal recurring accruals) necessary to present fairly the financial position of the Registrant as of February 29, 1992 and May 31, 1991, the results of operations for the three and nine months ended February 29, 1992 and February 28, 1991, and its cash flows for the nine months then ended.

2) Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted. It is suggested that these financial statements be read in conjunction with the Registrant's May 31, 1991 Form 10-K. The results of operations for the periods ended February 29, 1992 and February 28, 1991 are not necessarily indicative of the operating results for the full year.

3) The consolidated financial statements of the Registrant include its proportionate share of the accounts of USECB Joint Venture (USECB) which is owned 50% by the Registrant and 50% by the Registrant's subsidiary, Crested Corp. (Crested). The consolidated financial statements at May 31, 1991 and subsequent dates and periods also include the accounts of Four Nines Gold, Inc., which is 51% owned by the Registrant. The financial statements at February 29, 1992, and the quarter then ended include the accounts of USECC Gold Limited Liability Company ("USECC Gold"), which is owned 89% by the Registrant. USECC Gold is the 90% owner of the Sutter Gold Venture ("SGV"). All material intercompany profits and balances have been eliminated.

4) Long-term debt as of February 29, 1992, consists primarily of the balance of $1,500,000 on the non-interest bearing loan from AMAX Inc., which is being amortized $250,000 per quarter, in lieu of advance royalties owed under a mineral property conveyance.

5) Accrued reclamation obligations of $725,900 are the Registrant's share of reclamation liability at the Crooks Gap Mining District. The reclamation work may be performed over several years.

6) Net income per share is computed using the weighted average number of common shares outstanding during the period. The dilutive effect of stock options is not included in the computation, as it is not material. Weighted average common shares outstanding and net income per share for the nine months ended February 28, 1991, have been retroactively restated to account for ten percent stock dividend paid during the second quarter of fiscal 1991.

Item 2. Management's Discussion and analysis of Financial Condition and Results of Operations.

The following is management's discussion and analysis of significant factors which have affected the Registrant's liquidity, capital resources and results of operations during the periods included in the accompanying financial statements.

Liquidity and Capital Resources

Working capital at February 29, 1992, declined by $3,018,100 from working capital amounts at May 31, 1991. Working capital levels were $5,690,400 and $8,708,500, respectively, with current ratios of 10.8 to 1.0 and 11.6 to 1.0 for the respective dates.

The decrease in working capital during the most recently completed nine months was primarily caused by a decrease in cash and cash equivalents of $2,486,800. That decline in the Registrant's cash position was principally the result of cash used in investing activities.

During the nine month period, $3,052,400 of cash was utilized to increase the Registrant's interest in mining ventures, principally the underground gold prospect of Sutter Gold Venture ("SGV"). A $1,722,800 receivable at May 31, 1991, from Seine River Resources Inc. ("SRRI"), the non-affiliated partner in SGV, was transferred to an investment in properties and equipment as a result of SRRI's default on a note payable to the Registrant. In addition, $1,226,000 was invested in SGV's properties by the Registrant during the nine month period to fund permitting and property development.

In other investing activities, $517,600 of cash was used to acquire and improve equipment and fixtures during the most recently completed nine months. Those equipment transactions included $311,300 of acquisitions by the Registrant's construction contractor subsidiary, Four Nines Gold, Inc. ("FNGI").

Financing activities provided $201,400 of cash during the most recently completed nine months. Additions to long-term debt of $316,300, incurred in connection with equipment purchased primarily by FNGI, exceeded the payments on long-term debt for the period. The cash from financing activities, together with the cash provided by operating activities, partially offset the use of cash in investing activities.

The only significant change in the non-cash portion of current assets was a $732,000 decrease in accounts receivable-related parties. The change resulted from the reclassification of indebtedness from SRRI as an investment in SGV. The accounts receivable-related parties at February 29, 1992, include $977,300 payable by the Registrant's principal subsidiary, Crested. The Registrant has agreed to cancel $809,373 of that debt in exchange for approximately 9.1% of Crested's common stock. As a condition to the cancellation of that account receivable, the Registrant is requiring that its shareholders approve a proposal generally allowing shares of the Registrant's stock held by majority-owned subsidiaries to be voted at shareholders' meetings. Giving pro forma effect to the proposed exchange of debt for Crested stock, the accounts receivable-related parties at February 29, 1992, would have been $1,630,627.

As the Registrant and Crested perform various services for affiliated minerals ventures, those affiliates have agreed to reimburse the Registrant and Crested for approved costs. Amounts owing from SMP, SRRI and Green Mountain Mining Venture ("GMMV") accounted for $525,100, $817,700 and $16,100, respectively, of the Registrant's accounts receivable-related parties at February 29, 1992.

The non-affiliated party in SMP, Cycle Resource Investment Corporation ("CRIC") and its parent, NUKEM, Inc. ("NUKEM"), are currently involved in various legal proceedings with the Registrant and Crested. The Registrant and Crested have filed a civil action against CRIC and NUKEM seeking rescission of SMP and other relief. CRIC is not paying its share of amounts incurred by the Registrant and Crested in maintaining the SMP properties. CRIC has also refused to meet a cash call sought by USECC. Substantially all of the $525,100 account receivable from SMP to the Registrant at February 29, 1992, is being challenged in the litigation. There can be no assurance that the amounts recorded as accounts receivable from SMP will be recovered.

The non-affiliated party in SGV, SRRI, has only limited capital resources. To date, SRRI has not paid any of the operating expenses of SGV billed to it. Accordingly, the collection of the $817,700 account receivable-related parties owing from SRRI can not be assured. The Registrant's acquisition of a legal interest in the properties to be operated by SGV is conditioned upon SRRI's provision of a pre-emptive rights notice to a predecessor in interest. Although the Registrant believes that the appropriate notice has been provided, the party entitled to that notice denies that proper notice has been given. The effect of this dispute on the Registrant's interests in SGV can not be predicted.

The primary requirements for the Registrant's working capital continue to be funding of on-going administrative expenses, the permitting and preliminary gold mining operations of SGV, and uranium marketing and property holding costs of SMP. During the most recently completed nine month period, the Registrant and Crested, as operators of SMP, continued their efforts to reduce SMP's property holding costs. These activities included drilling a water disposal well which can be used in lieu of a pump-line in a shaft which required heating in the colder months and significant maintenance and operating costs for the discharge of mine wastewater.

The gains or losses that will be experienced with respect to deliveries under SMP's uranium supply contracts with electric utilities, will depend upon fluctuations in the spot market price for uranium. Future prices of uranium can not be predicted. As a result of this uncertainty, the overall capital requirements for SMP-related activities can not be predicted. Throughout the current year, the partners in SMP have generally been procuring their pro rata shares of SMP's delivery obligations, and providing the uranium so acquired directly to utility customers. As marketing contractor for SMP, NUKEM previously discharged those duties.

SRRI did not make the $2,000,000 of principal payments to the Registrant and Crested that were due during the nine months ended February 29, 1992. The Registrant was to receive 88.9% of any payment on the related note. As a result of the defaults by SRRI, its 50% participation in SGV was reduced to a 10% interest during the nine months. The

Registrant and Crested share SRRI's forfeited interest, 88.9% for the Registrant and 11.1% for Crested. As a result of SRRI's defaults, the Registrant's interest in SGV has been adjusted to 80%, or eight-ninths of the combined 90% interest of the Registrant and Crested. The Registrant's funding obligations for SGV have increased to correspond with its increased participation in SGV. The subsidiary holding the interests of the Registrant and Crested in SGV is USECC Gold Limited Liability Company ("USECC Gold"). USECC Gold is consolidated in the Registrant's financial statements for the quarter ended February 29, 1992. The Registrant and Crested have informally agreed to consider allowing SRRI to restore up to a 50% interest in SGV, should SRRI raise funds enabling it to pay the $2,000,000 owed under its note (with interest), pay its portion of past operating costs and demonstrate its ability to fund its share of SGV's operating expenses. The Registrant is unable to predict whether SRRI will satisfy these conditions.

The additional investments of $3,003,800 by the Registrant in SGV during the nine months ended February 29, 1992, resulted from the reclassification of the $1,777,800 note receivable owing from SRRI to the Registrant as an investment in SGV and $1,226,000 of funding of SGV's operations. The funds used for operating expenses were principally applied towards permitting and development activities at the Lincoln Mine. A mill test of extracted ore has been completed and suggests that gravity separation milling may be satisfactory. It is expected that additional ore will be extracted for further test milling. To reduce project expenses, SRRI has elected, with the approval of the Registrant and Crested, to eliminate approximately $170,000 of annual rental and other costs associated with various leases that are being transferred to non-affiliated parties, or are to be canceled. The elimination of those leases, which are unrelated to the Lincoln Mine project, resulted in a $167,000 charge to general and administrative expenses during the quarter ended February 29, 1992.

Additional sources of capital may be required for the Registrant to continue funding its pro-rata share of the operating expenses and capital expenditures of SGV, the property holding costs of SMP and the uranium marketing expenses associated with SMP's supply agreements. There can be no assurance that cash and financial resources available to the Registrant will be sufficient to fund these capital requirements. An estimate of the long-term deficiency in cash and capital resources, if any, can not be made, due to the uncertainties surrounding the capital requirements.

The Registrant continues to be free of material long-term debt which would require the use of its cash assets. Only minimal cash was used to repay debt in the nine months ended February 29, 1992. Indebtedness to AMAX continues to decline, as AMAX amortized $750,000 of indebtedness during the nine month period, in accordance with a previously negotiated arrangement. The $750,000 was recognized as revenue from molybdenum property transactions.

Results of Operations

Quarter Ended February 29, 1992 Compared to Quarter Ended February 28, 1991

Revenues for the most recently completed quarter increased by $596,700 or 104%, compared to the corresponding quarter of the prior year. That change was attributable to revenues from the sale of minerals, including sales of gold by SGV and uranium by the Registrant as it filled its proportionate share of SMP's contract delivery requirements. During the corresponding period of the prior year, CRIC filled SMP's delivery obligations as marketing contractor. Because SMP is reported by the Registrant on the equity basis, no revenues were recognized in the prior period with respect to the uranium sales conducted by CRIC for SMP. Due to the disagreements among the partners of SMP, each partner has generally been purchasing and delivering its share of the uranium delivery obligations of SMP during recent periods. There were no sales of gold by SGV during the earlier period.

The increase in revenues during the most recently completed quarter was also attributable to a $133,200 increase in equipment rentals. Those revenues were primarily earned in connection with exploration, development and environmental programs conducted on GMMV's properties, and through charges to SMP for equipment supplied by the Registrant and Crested to it. Operating revenues for the most recently completed period include the Registrant's $34,100 share of construction contract revenues recognized by FNGI. During the corresponding period of the prior year, FNGI was not a consolidated subsidiary and was treated as an investment. As a result, no portion of FNGI's revenues was included in the quarter ended February 28, 1991.

The increases in revenues attributable to sales of gold and uranium, equipment rentals and the consolidation of FNGI's operations were partially offset by a $75,700 decrease in interest revenues. Relative to the corresponding period of the prior year, the Registrant held smaller amounts of interest-earning assets during the most recently completed quarter, which earned lower rates of interest.

Costs of goods sold expense increased substantially, primarily as a result of uranium inventory purchases required for the Registrant to satisfy its pro rata share of SMP's delivery obligations, and expenses of extracting and milling gold sold by SGV. The increase in cost of goods sold expense as a percentage of operating revenues, from 13% for the prior year's quarter to 66% for the most recently completed quarter, was due to the sales of gold and uranium during the most recent period. During the prior period, rental revenues, to which there is no corresponding cost of goods sold expense, comprised a much larger portion of the operating revenues.

General and administrative ("G & A") costs declined by $33,800, or approximately 5%. Those costs for the prior year had included the Registrant's $336,000 share of a non-recurring bonus awarded to the Registrant's CEO for assistance in consummating transactions relating to GMMV. The resulting reductions in G & A expenses were partially offset by legal fees associated with the CRIC and other litigation matters, and G & A expenses from the consolidation of FNGI and USECC Gold. Increases in depreciation

expenses resulted from equipment purchases and improvements to equipment during the most recently completed period, and from the consolidation of FNGL.

As a result of the acquisition of additional interests in SGV, that subsidiary is now reported on a consolidated basis, compared to the equity method previously used. SGV has had only limited revenues from test mining for mill development, and it remains in the development stage. Permitting and property development expenditures during the most recently completed quarter yielded an operating loss, and the $31,100 portion of that loss attributable to the minority interest of SRRI in SGV is eliminated from the Registrant's statement of operations for the quarter ended February 29, 1992. The remaining $39,300 of the minority interest is attributable to FNGL.

The Registrant's statement of operations included $69,500 of equity income of affiliates for the most recently completed quarter. Equity income of $62,000 and $8,100 was recognized from Crested and The Brunton Company ("Brunton"), a compass and sporting goods product manufacturer and/or distributor. The equity income was partially offset by minor losses of other affiliates. In the corresponding period of the prior year, Brunton had contributed $55,900 of equity income, which was offset primarily by equity losses of $42,800 and $24,100 from SMP and Crested, respectively. The Registrant's share of SMP's operating losses exceeded its basis in that subsidiary at May 31, 1991, so equity losses from SMP are no longer being recognized. During the final quarter of fiscal 1991, the Registrant dissolved an equity affiliate responsible for $28,200 of equity losses during the quarter ended February 28, 1991. No corresponding equity losses were generated in the current period.

For the three months ended February 29, 1992, the Registrant utilized $5,400 of net operating loss carryforwards to offset tax liabilities. In the corresponding period of the prior year, a net loss was reported, so there was no corresponding use of loss carryforwards.

Nine Months Ended February 29, 1992 Compared to Nine Months Ended February 28, 1991

Total revenues declined by $6,071,300 or 67%. During the nine months ended February 28, 1991, the Registrant had recognized $7,193,600 of revenues from the non-recurring sale of certain uranium property interests that are now held by GMMV. No comparable transaction occurred during the most recently completed nine month period. Excluding the revenues from the Green Mountain property transaction, overall revenues increased by $1,122,300 or 60%, relative to the corresponding period of the prior year.

During the nine month period ended February 29, 1992, the Registrant recognized approximately $600,000 of revenues from gold sold by SGV, and uranium sold by the Registrant to fill its share of SMP's delivery obligations. There were no corresponding revenues in the corresponding quarter of the prior year. The Registrant is unable to predict how delivery requirements of SMP will be met in future periods. The revenues from the sale of gold and uranium, together with $448,400 of increases in equipment rentals, and $255,000 of revenues from the consolidation of FNGI resulted in an increase in operating revenues by $1,064,600 or 197%.

The increases in operating revenues were partially offset by declines in interest revenues of $352,000 for the most recently completed nine month period. Lower interest rates were paid on smaller amounts of interest-earning assets. In addition, revenues from molybdenum property transactions declined as molybdenum spot market prices declined.

SGV's mining and test milling expenses, together with uranium inventory purchases necessary to permit satisfaction of SMP's contracts resulted in increased costs and expenses for the most recently completed nine months, compared to the corresponding period of the prior year. Expenses of $996,800 from the consolidation of FNGI and USECC Gold were also experienced for the nine month period, with no comparable expenses for the preceding year. In addition, increased costs resulted from higher levels of depreciable property owned by the Registrant during the most recent period, and from the consolidation of FNGI. These increased expenses were partially offset by reductions in G & A costs allocated to mining projects in which the Registrant participates. G & A expenses for the prior period included the non-recurring bonus paid to the Registrant's CEO. The savings from the absence of a corresponding transaction during the most recently completed nine month period were partially offset by G & A expenses of USECC Gold and FNGI that were included on consolidation.

The aggregate equity income of affiliates was essentially unchanged for the most recently completed nine months, compared to the corresponding period of the prior year. The primary sources of equity income in the most recently completed period were Crested for $321,900 and Brunton for $50,900. In the prior period, the equity subsidiaries contributed income, including $167,900 from Brunton and $430,600 from Crested, which was partially offset by a $154,400 loss from SMP and $72,400 of losses from a now-dissolved subsidiary. As noted above, losses from SMP are not currently being recognized by the Registrant. By virtue of the dissolution of the former subsidiary in fiscal 1991, the activities formerly conducted by it no longer generate equity losses.

As indicated in Note 6 of the Notes to Condensed Consolidated Financial Statements, the weighted average number of shares outstanding and the net income per share for the nine months ended February 28, 1991, have been retroactively restated to give effect to a 10% stock dividend paid to record shareholders of November 1, 1990.

PART II. OTHER INFORMATION

ITEM 6. Exhibits and Reports on Form 8-K.

(a) Exhibits. None.

(b) Reports on Form 8-K. There were no reports filed on Form 8-K for the quarter ended February 29, 1992.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

U.S. ENERGY CORP.
(Registrant)

Date: April 15, 1992

By: _____
JOHN L. LARSEN,
Chief Executive Officer

Date: April 15, 1992

By: _____
ROBERT SCOTT LORIMER,
Principal Financial Officer and
Chief Accounting Officer